SUPREME COURT, U. S.

No. 71-1462

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1971

SOLO CUP COMPANY,

Petitioner,

v.

ILLINOIS TOOL WORKS, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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Note

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Solo Cup Company, defendant-appellee below, prays that a writ of certiorari issue to review the judgment rendered by the United States Court of Appeals for the Seventh Circuit on January 26, 1972 in the above-entitled cause.

CITATIONS TO THE OPINIONS BELOW

The opinion of the Court of Appeals for the Seventh Circuit, reversing the District Court for the Northern District of Illinois (Appeal No. 18960), is reported at F.2d (1972), and at 172 U.S.P.Q. 385. It appears in the Appendix to this Petition at pp. A-11 to A-22.

The opinion of the district court is reported at 317 F.Supp. 1169 (N.D. Ill., 1970) and at 166 U.S.P.Q. 120, and appears in the Appendix at pp. A-1 to A-7.

STATEMENT OF JURISDICTION

The jurisdiction of this Court is invoked under Title 28, Section 1254(1) of the United States Code.

The date of the judgment which the petitioner seeks to have reviewed is January 26, 1972. Petitioner's timely petition for rehearing *en banc*, and for certification to this Court, was denied by order dated March 24, 1972 (Appendix, p. A-34).

THE QUESTIONS PRESENTED

This Court, in *Graham* v. *Deere*, 383 U.S. 1, 12-17 (1965), established that the test of an invention for patentability under 35 U.S.C. § 103 was to determine, by reference to § 102, the content of the "prior art" at the time the invention was made, and then to examine for "unobviousness" the increment of novelty it contributed over the prior art:

The First Question

As to the granting of the writ: Does the test of *Deere* admit of a lesser standard of invention uniquely applicable to an inventor's subsequent improvement of his *own* prior and commercialized invention, and, if so, what lesser test should be applied?

As to the merits: Does it accord with the Constitutional purpose and with 35 U.S.C. § 103, as interpreted by this Court in *Graham* v. *Deere*, to extend to the inventor of a commercialized product the reservation of future patent for a later improvement that could not have been patented by others because the improvement when made was an obvious step from the commercial product?

The Second Question

As to the granting of the writ: After a product enters the commercial market and thereby becomes "known and used by others in this country", does it thereby become "prior art" under 35 U.S.C. § 102(a) as to *all* subsequent invention for the sake of *Deere's* test of patentability under § 103, or

As to the merits: Can a patent granted for an improvement not conceived until after such commercialization be exempted from the conceded "prior art" effect of the commercial product because the same person authored both, as the Court of Appeals for the Seventh Circuit held in this case?

CONSTITUTIONAL PROVISION AND STATUTES INVOLVED

This case involves Clause 8 of Section 8, Article I, of the Constitution of the United States, and Sections 102 and 103 of Title 35, United States Code, the texts of which are set forth in the Appendix hereto as pages A-34 to A-36.

STATEMENT OF THE CASE

The questions of pure patent law earlier stated are invoked here by facts already established in two earlier suits on the same patents by the same plaintiff in the same court before the same judge. Only the legal questions thus raised are first raised in this case.

The operative facts will therefore not be further illuminated by a full trial of this case. Indeed, after deciding the posed questions of law favorably to the Petitioner, the district judge certified his ruling under 28 U.S.C. 1292(b) (at the instance of the plaintiff-Respondent) with the observation that it was of "some importance to the patent bar" and

"may be dispositive of the validity of the (improvement) patent" that he had earlier held valid and that the Court of Appeals had already affirmed (Appendix, p. A-8).

The Court of Appeals likewise acknowledged the importance of the question in granting leave to appeal (p. A) and in its reversal (p. A-9), which it based upon specifically stated inferences that it read into 35 U.S.C. § 102(a), unjustifiably, in the view of Petitioner.

(a) *The Antecedent Litigation*

This is one of the remaining two of nine separate suits for infringement of one or the other, or both, of the two patents for plastic drinking cups here in suit. All have been or are pending before the Honorable Bernard M. Decker in the United States District Court for the Northern District of Illinois, Eastern Division, at Chicago.*

The two patents were issued to Illinois Tool Works, Inc., Plaintiff below, No. 3,091,360 on May 28, 1963, and No. 3,139,213 on June 30, 1964. Both were held valid and infringed in earlier cases affirmed by the Court of Appeals for the Seventh Circuit.

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* 65 C 2179 *I.T.W.* v. *Continental Can Co.*, 273 F.Supp. 94; aff'd. 397 F. 2d 517 (7 Cir. 1968);

66 C 1609 *I.T.W.* v. *Maryland Cup Corporation & Sweetheart Plastics, Inc.;*

67 C 888 *Maryland Cup Corporation & Sweetheart Plastics, Inc.* v. *I.T.W.* (filed as a declaratory judgment action, 66 C 2559, in the Southern District of New York, and transferred to N.D. Ill. as the convenient forum, on ITW's motion); (both decided 306 F.Supp. 364; aff'd. 436 F. 2d 1180, 7 Cir., 1971);

69 C 480 *I.T.W.* v. *Solo Cup Company;* (pending);

69 C 481 *I.T.W.* v. *Foster Grant Co.;* (pending);

69 C 482 *I.T.W.* v. *Scott Paper Co. Inc.;* (settled);

69 C 483 *I.T.W.* v. *American Can Co.;* (settled);

69 C 484 *I.T.W.* v. *Phillips Petroleum Co.;* (settled);

69 C 485 *I.T.W.* v. *Owens-Illinois, Inc., Lily Tulip Cup Corp. and Auto Pak Inc.;* (settled).

The '213 patent was first held valid by Judge Decker in *ITW* v. *Continental Can Co.*, 273 F.Supp. 94 (N.D. Ill., 1967), affirmed 397 F.2d 517 (7 Cir., 1968).

This patent, the '213 patent, was issued for the earlier-conceived cup, and the ultimate issue on this petition is whether, as Judge Decker held in the present case, the public knowledge and use of that cup (not the patent itself) is prior art to the improvement "invention" covered by the '360 patent, which was not conceived until *after* the commercialization of the first cup.

Subsequent to the *Continental Can* case and before the filing of the case here on petition, *both* patents were sued on in *ITW* v. *Maryland Cup Corporation & Sweetheart Plastics, Inc.*, in the same court. Judge Decker again held the '213 patent valid, and also held the '360 improvement patent valid, 306 F.Supp. 364 (N.D. Ill., 1969). The Court of Appeals for the Seventh Circuit again affirmed the validity of the '213 patent, and, essentially equating the two cups whose separate patents had been divided from a single application, also affirmed the validity of the '360 improvement patent, 436 F. 2d 1180 (7 Cir., 1971).

In none of the prior cases was the prior sale and resulting public knowledge and use of the cup of the '213 patent regarded as prior art to the subsequent "invention" of the improved cup of the '360 patent.

b) *An Issue Unseen in the Earlier Cases is Raised*

Based upon facts found in the earlier cases against Continental Can Co. and Sweetheart Plastics, Inc. et al., namely, the offering for sale of the plastic cup of the '213 patent to Automatic Canteen Company of America in December, 1957, the delivery of large quantities of the same to Automatic Canteen in April and May of 1958, and their

prompt use in the vending machines of that concern to dispense coffee and soft drinks to the consuming public, your Petitioner, Solo Cup Company, moved the district court for partial summary judgment that the improvement patent, the '360 patent, was invalid for failure to meet the "unobviousness" requirement of 35 U.S.C. § 103. (R. 13 to R. 153)

In support of this motion, it showed the district court's prior findings of the offering of the '213 cups for sale to Automatic Canteen Company in December, 1957, (R. 40) the delivery thereof in April and May, 1958, (R. 40, 41) and the immediate use thereof by the public (R. 77, 78). It showed the Plaintiff's prior testimony that the development of the cup of the '360 improvement patent did not occur until June, 1958, (R. 78; 81; 85, 86.) and the testimony of the Plaintiff's witnesses that the improvement was conceived as a solution to problems encountered in the commercial use of the first cup in Automatic Canteen's vending machines. (R. 77, 78, 79) It showed further the representations of the plaintiff, in the *Sweetheart* litigation, that the two patents were essentially for the "same inventive concept," (R. 74, 79) and it thereupon prayed the Court to dismiss the case as to the '360 improvement patent (R. 13, 14).

The district court denied the motion for summary judgment, finding controverted material facts on the question of "obviousness" (R. 155). However, upon undisputed facts (R. 155), the district court concurrently made the ruling from which the Respondent appealed, viz., that the commercialization of the cup of the '213 patent would indeed hereafter be regarded as prior art with respect to the '360 improvement patent for further proceedings in the case.

c) *An Interlocutory Appeal is Entertained*

Upon the application of the Plaintiff, Illinois Tool Works, Inc., (Respondent here) (R. 160, 161) and notwithstanding the denial of Petitioner's motion for summary judgment, the district court certified its aforementioned prior art ruling for immediate appeal, *by the plaintiff-Respondent,* as an important question of first impression, and one that would probably be dispositive of the validity of '360 improvement patent (Appendix, p. A-8; R. 162).

The Court of Appeals for the Seventh Circuit, endorsing the importance of the question, granted leave to appeal (R. 163), and by its judgment of January 26, 1972, it reversed the district court and remanded, ruling that the commercialization of the first cup, although prior art to all the rest of the world, could not be prior art to the same inventor's own later improvement (Appendix, pp. A-11 to A-22).

As each court in turn had acknowledged the importance and the novelty of the question in making the certification for, and in granting leave for, the interlocutory appeal, and because nearly all of the industry is now licensed under the Respondent's plastic cup patents as a result of the prior affirmances of their validity by the Seventh Circuit Court of Appeals, Petitioner sought rehearing *en banc,* and prayed the affirmance of Judge Decker's ruling as the correct interpretation of 35 U.S.C. § 102(a) for the purposes of § 103, or, in the alternative, the certification of the question by the Court of Appeals to this Honorable Court. (pp. A-23 to A-33).

Rehearing was denied March 24, 1972. (Appendix, p. A-34).

d) *The Two Patents in Suit*

Both patents in suit are directed to nesting, thin-walled plastic drinking cups (or other such containers, e.g., for

packaging cottage cheese, margarine, and other such products), made by thermoforming sheet plastic material, a so-called high-impact polystyrene.

The cup shown in the '213 patent (R. 22 et seq.) was chronologically first. It had a circumferentially continuous stacking ring which limited the telescoping of the nested cups so that they wouldn't jam together. When they went into the vending machines of Automatic Canteen Company, they were found to stick together for a number of reasons, and that problem was shortly solved by interrupting or notching the stacking ring. The improved or interrupted ring cup became the subject of the '360 patent (R. 16 et seq.) which actually issued from the Patent Office some thirteen months ahead of the '213 patent on the earlier cup, due to procedures in the Patent Office that are not immediately relevant.

e) *Without The '360 Improvement Patent The Plaintiff's Licenses Are Worthless*

While the continuous ring cup of the '213 patent had a very short commercial life (in the vending machine trade, in any event), the interrupted ring cup was a success under the exacting conditions of vending machine use. Both patents, along with others of Illinois Tool Works' cup patent portfolio, are now widely licensed to the trade, not only to the manufacturers of cups who have been the defendants in the many suits successfully corralled into the one courtroom in Chicago, but also to the plastic raw material suppliers, Dow Chemical Company and Monsanto Company, the largest sources of the so-called high-impact polystyrene sheet material of which thin-walled plastic containers are made.

Inasmuch as the Court of Appeals in the earlier *Sweetheart* case noted the plaintiff's concession that the claims of

the two patents make them mutually exclusive (R. 74), 436 F.2d 1180 (7 Cir., 1971) i.e., that no one cup can infringe both patents, the question of the validity of the '360 patent is one of obvious importance in this industry. Specifically, if Judge Decker correctly interpreted 35 U.S.C. § 102(a) to require that the public knowledge and use by others of the first cup be regarded as prior art to the subsequent development of the second cup, the industry is no longer beholden to Illinois Tool Works, Inc. because the interrupted stacking ledge of the '360 patent is readily substitutable for the continuous ring of the '213.

REASONS RELIED UPON FOR THE GRANTING OF THE WRIT

1. The Concentration of All of the Plastic Cup Litigation into the Seventh Circuit Precludes Conflict And Promises to Foretell Outcome.

The successful maneuvering of all nine cases for trial *seriatim* to the same judge, already twice affirmed, eliminates any possibility that the questions here presented can arise as a conflict between circuits over the validity of the '360 improvement patent.

Indeed, Maryland Cup Corporation and Sweetheart Plastics, Inc. had sought escape to the Southern District of New York, where they filed suit for declaratory judgment in the wake of suit by Illinois Tool Works against them for patent infringement in Chicago. However, their suit was transferred to the Northern District of Illinois, Eastern Division, as the convenient forum, *Sweetheart Plastics, Inc.* v. *Illinois Tool Works, Inc.*, 267 F.Supp. 938 (S.D.N.Y., 1967) and assigned to the Honorable Bernard M. Decker as a case "related" to the patent infringement suit already pending before him. Sweetheart again tried for transfer, this time to Massachusetts, but failed, 286 F.Supp. 62, 68 (N.D. Ill.,

1968). The cases were consolidated for trial, with the result earlier herein indicated.

Subsequent thereto, Sweetheart Plastics, Inc., sought from the District of Massachusetts a declaratory judgment of its non-infringement of the '213 and '360 patents by certain specific cups not specifically passed upon in the earlier tried case in Chicago because the court apparently regarded them not justiciable. Jurisdiction was declined by the district court in Boston (167 USPQ 347, 348, D. Mass., 1970) whose refusal was appealed to the United States Court of Appeals for the First Circuit, and that court affirmed, deferring to the "acquired expertise" of the court in Chicago as "judicial expediency" (*Sweetheart Plastics, Inc.* v. *Illinois Tool Works, Inc.*, 439 F.2d 871, 875, 1 Cir., 1970).

Thus, by the accident of venue, by the application of the doctrine of the convenient form, by the understandable interest of the Courts in economy of judicial effort, by the application of the "law of the circuit" doctrine as applied in the Seventh Circuit, and lastly, by the application that has been made herein of the "related case rule" (local Rule 10) of the Northern District of Illinois, Eastern Division, the ultimate decision of the validity of the patents involved in this suit is now all but foretold, absent the intervention of this Honorable Court by writ of certiorari. It is as though this Court, by its decision in *Blonder-Tongue* v. *University of Illinois Foundation*, 402 U.S. 313 (1971), had decreed that adjudication of patent validity, *pro* and *con*, could thereafter be regarded *in rem*.

The one other defendant, Foster-Grant Co., still awaiting trial before Judge Decker, is charged only under the '213 patent of the two patents involved in this suit, and cannot raise the question raised on this appeal. Thus, as far as the '360 patent is concerned, and as far as this industry is concerned, "the buck stops here".

The discretionary jurisdiction of this Court is therefore invoked in part because all the major cup-makers were suable and sued in the Seventh Circuit, and before the same judge, and were brought back when they tried to escape. The criteria of *Muncie Gear Co.* v. *Outboard Marine & Mfg. Co.*, 315 U.S. 759, 766 (1942), *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126, 128 (1942), and *Schreiber Schroth Co.* v. *Cleveland Trust Co.*, 305 U.S. 47, 50, for taking jurisdiction are thus well met here, and yet overshadowed by the importance of the question to the administration of the patent laws, and by the importance of its effect upon the public.

2. The Question Is Important, Not Only To This Industry, But To The Administration Of The Patent Law.

In setting aside Judge Decker's insistence that the law of 35 U.S.C. § 102(a) be applied equally to all subsequent inventors without exception or exemption, the Court of Appeals acknowledged the importance of the question before it:

> "The important issue to be decided here is whether the District Court was in error in holding that one's own invention once disclosed to the public is 'prior art' against the same inventor's later related invention on which an application was filed less than one year from such public disclosure." (Appendix, p. A-13).

More to the point, perhaps, in its impact upon the administration of the patent law as a whole was that Court's later observation (Appendix, p. A-20):

> "Undoubtedly, a majority of inventions are made in stages. Modifications and improvements of the original idea are common. If the ruling of the District Court is allowed to stand, it would be natural for an inventor to withhold any disclosure to the public until the innovated development is completed. We feel any such

> delays in disclosure of prospective inventions would seem contrary to the purpose of the patent law to have new inventions promptly before the public."

These observations of the Seventh Circuit Court of Appeals are indeed applicable to most if not to all patents, because most inventions, objectively examined by the process prescribed by this Court in *Graham* v. *Deere*, 383 U.S. 1, 15 (1965), are essentially modifications of, or improvements upon, earlier themes. *Graham* v. *Deere* taught the procedure of isolating the quantum of novelty of the improvement, and of then measuring its "unobviousness", i.e., its patentability. That test is obviously defeated at the outset if, by operation of law, what appears on its face to be prior art is not prior art at all. The question ultimately, therefore, is whether "knowledge and use by others in this country", made prior art by act of Congress (35 U.S.C. § 102 and § 103) as interpreted by this Court most recently in *Graham* v. *Deere*, is nevertheless *not* prior art to him who created it in the first place. Does the public benefit, i.e., is progress promoted or is progress hindered, by granting special patents to subsequent improvers of their own previously published ideas, patents that would be invalid if for "inventions" made by others?

This is a basic question of policy that goes to the core of the administration of the patent law, especially by the Courts, because the Patent Office, as indeed it was in its examination of the '360 improvement patent, is ignorant of prior uses not confessed* or otherwise specifically

* Patent Office Rule 65, 37 C.F.R. 1.65 requires the applicant's oath that he "does not know and does not believe" that the invention claimed is anticipated or forfeited under 35 U.S.C. § 102, but does not require any representation under § 103 as to "unobviousness", assuming that such evaluation by an applicant could be other than self-serving and worthless. His negative oath of non-anticipation and non-forfeiture, although of fact, is probably equally worthless, as it was in this case, if not actually misleading. See the Oath filed in the application that resulted in the '360 improvement patent, at R.118.

brought to its attention. The Patent Office has available as prior art only what has previously been published as patents and other printer matter. On questions of invalidity because of prior public use, the courts provide the public's *only* protection.

The decision made in this matter by the Court of Appeals for the Seventh Circuit was regarded in its making as far reaching. As that court frankly admitted, its reversal required the reading into 35 U.S.C. § 102(a) of the italicized words "*invented by others as well as* known and used by others in this country", creating an exception nowhere evident in the clear and unambiguous language of § 102(a). Such interlineation this Court itself had earlier said should be eschewed, even as this Court forbore a not dissimilar rewording of R. S. 4886, the corresponding predecessor patent statute, in *Electric Battery Co.* v. *Shimadzu*, 307 U.S. 5, 14 (1939).

The decision of the Court of Appeals for the Seventh Circuit, by excluding prior art from consideration under Section 103 on the grounds that the particular applicant was *exempt* from prior art concededly applicable to his contemporaries, has acknowledged a special class of lesser patent for not-necessarily-unobvious improvement.

Such patents would not be subject to the requirements of "unobviousness" specified by 35 U.S.C. § 103 as interpreted by this Court in *Graham* v. *Deere*. The district court concluded that they therefore would abuse the Constitutional purpose to promote the progress of useful arts (A-7; R. 159). The Court of Appeals, reversing, said they are a necessary part of the practical operation of the system.

If so, by what standard shall one appraise the validity of a patent that is invalid under § 103 as to A because the improvement was obvious to the ordinary skill of the art

at the time his improvement was made, but nevertheless valid as to B, to whom § 102(a), and therefore § 103, do not apply? Truly, the result reached by the Court of Appeals weighs patentability not by "unobviousness", but by who the inventor is.

3. The Once-Clear Procedural Concept Announced In Graham v. Deere Is "Fogged-In"

The uncertainty this decision must cause is not mere fancy:

Does a particular provable prior public use truly antedate and thus render obvious the innovative act memorialized by a given patent, or is that use somehow traceable to the patentee and therefore a nullity? Given the difficulty of determining who the inventor is, or who the inventors are, in the modern scene of development by research "teams" in the same employ, how much association between a given patentee (or co-patentee) and an antedating public use is necessary to disqualify it as "prior art", i.e., to qualify the patentee for the exemption this decision of the Court of Appeals would accord?

Would the law distinguish between those antedating public uses that were themselves the subject of a patent and thus *prima facie* attributable to some alleged inventive entity, and other antedating public uses that were *not* patented and thus temptingly subject to attribution according to the exigencies of the situation?

Attribution aside, is the improvement of a *patented* antedating public use a more worthy improvement for that reason than an improvement of one that is unpatented or unpatentable? The Court of Appeals seemed implicitly to say so, by permitting the second patent to ride "piggyback" upon the first patent, i.e., to partake of its assumed validity

(which was not in issue on this appeal), as though the patent on the second cup were part of the reward due for the invention of the first. The mere potential for pyramids of such "improvement" patents, each exempt from the "prior art" effect that its predecessor "invention" exerts upon other inventors, is ominous, even without the further suggestion implicit in the Court of Appeals' observations, i.e., that they have long been reality.

This far-reaching decision declares a public policy without precedent, one that is not evident on the face of the law as written, and one that was found by the cross-interpretation of two adjacent statutory paragraphs, § 102(a) and § 102(b), which are clearly disjunctive. It required a rewriting of § 102(a), as the Court of Appeals itself plainly said.

The result, if not contrary to *Graham* v. *Deere*, circumvents it, and calls out for direct expression from the Supreme Court of the United States. The Petitioner hopes that such expression might restore the equal application of the law to *all* patents.

CONCLUSION

If such "improvement" patents are as numerous and as widespread as the Court of Appeals for the Seventh Circuit declared in the above quotation from its opinion, i.e., as to encompass a "majority of inventions", the questions presented in this petition for writ of certiorari to that Court are indeed of such importance as to merit the discretionary jurisdiction of this Honorable Court because they cut across all of industry, and every market.

For the reasons stated, and upon the record presented, Solo Cup Company, by its attorneys, respectfully petitions this Court for its timely intervention in this matter by writ

of certiorari to the Court of Appeals for the Seventh Circuit.

Respectfully submitted,

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APPENDIX

ILLINOIS TOOL WORKS, INC., Plaintiff

vs.

SOLO CUP COMPANY Defendant

No. 69C480

MEMORANDUM OPINION

Plaintiff Illinois Tool Works Inc. (ITW) has brought suit against defendant Solo Cup Company (Solo) for infringement of two of its patents directed to nestable cups, United States Patent Numbers 3,139,213 and 3,091,360. The patented devices, developed by Bryant Edwards for ITW, both describe thin-walled plastic nestable containers having side-wall "Z" shaped stacking facilities.[1] The significant difference between the two patents in that the '213 covers continuous stacking rings whereas the '360 encompasses interrupted rings.

Solo has moved for summary judgment as to claims 1, 2 and 3 of the '360 patent on the ground that these claims are invalid for obviousness within the meaning of 35 U.S.C. § 103. Pursuant to an order entered March 6, 1970, the parties briefed only the issues of whether a genuine issue of material fact exists and whether public knowledge and use of plaintiff's containers embodying continuous stacking rings prior to the invention of the '360 patent constitute prior art as to that patent. Only if these issues are decided favorably to defendant need the validity issue itself be briefed.

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[1] The patents are described in detail in *Illinois Tool Works Inc.* v. *Sweetheart Plastics, Inc.*, 306 F.Supp. 364 (N.D. Ill. 1969), holding both patents valid, and in *Illinois Tool Works, Inc.* v. *Continental Can Company*, 273 F.Supp. 94 (N.D. Ill. 1967), *aff'd.* 397 F.2d 517 (7th Cir. 1968), holding the '213 patent valid.

Solo maintains that Miller, U. S. Patent No. 2,985,914, Caine, U. S. Patent No. 3,845,887, the cups made pursuant to specifications later incorporated in the '213 patent, and plaintiff's statements at the *Sweetheart* trial characterizing the '213 and '360 as the "same general inventive concept," taken together, render the '360 patent obvious. This court held in the *Continental Can* case, *supra,* at 115, that Miller, 2,985,914 did not render the '213 patent obvious, and I incorporated this discussion of the Miller finding in the findings as to the validity of the '360 patent in *Sweetheart Plastics, supra,* at 364. Similarly, the Cain patent was presented for consideration at the *Sweetheart* trial. Consequently, Solo must rely on the cups made pursuant to the '213 specifications, and on plaintiff's characterization of the similarity of the two patents, in support of its obviousness contention.

Although patent validity is a question of law, a number of factual determinations must be made before a decision as to obviousness can be made. *Graham* v. *John Deere Co.,* 383 U.S. 1, 17 (1966). Assuming that the cups cited by defendant are prior art, what they teach to one with ordinary skill in the art is a question best determined with the aid of expert testimoney. Moreover, whether plaintiff's characterizations of the '213 and '360 patents constitute admissions of the obviousness of the latter would also seem to present factual questions. Because there are genuine issues of material fact which remain to be resolved, summary judgment is improper.

But, although this is not the proper time to determine the obviousness issue, the question whether the cups cited by defendant constitute prior art as to the '360 patent must be resolved before trial and, having been briefed, may appro-

priately be determined in this opinion. The relevant factual background is undisputed. Edwards conceived the idea of a nestable container with a continuous stacking facility in August, 1957, and a patent application therefor was filed in November, 1957. ITW accepted an order for 1,000,000 cups made pursuant to the patent application in December, 1957 and delivered 50,000 of them to Automatic Canteen in April, 1958, which used them in vending machines in April and May of that year. In June, 1958, Edwards conceived the nestable container with the interrupted stacking ring.

In October, 1958 ITW filed a continuation-in-part application covering both the continuous and interrupted stacking facilities, and abandoned the earlier application. In May, 1959 ITW filed a divisional application which matured into the '213 patent, and the continuation-in-part application matured into the '360 patent. The '360 patent was issued first, on May 28, 1963, while the '213 patent was not issued until June 30, 1964.

It is defendant's contention that the sale and public use of the continuous stacking cups in December, 1957 and April, 1958 constitute "prior art" as to the '360 patent to be considered pursuant to 35 U.S.C. § 103.[2] "Prior art" as used in that statutory provision includes all that qualifies as "prior art" under 35 U.S.C. § 102, *Graham* v. *John Deere Co., supra,* at 15; *Application of Harry,* 333 F.2d 920, 923-924 (C.C.P.A. 1964), and defendant contends that this public use of the continuous stacking cups is encompassed with-

[2] "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains . . ."

in the language "known or used by others" found in § 102(a).[3]

Defendant's interpretation is certainly a correct literal application of the language of § 102(a), for after the continuous stacking cups were purchased by Automatic Canteen and resold to consumers the invention was "known or used by others." But plaintiff argues that the language of § 102(a) must be read to mean "invented by others" as well as "known or used by others."

The arguments offered in support of plaintiff's interpretation of the statute are not persuasive. ITW's contention that an individual's earlier invention cannot be prior art as to his later invention is simply incorrect. It is fundamental that a previously issued valid patent may constitute prior art as to a subsequent invention by the same inventor. See, *e.g., Application of Jaeger,* 241 F.2d 723, 726 (C.C.P.A. 1957), wherein the Court stated that "[t]he law makes no distinction between prior art of an applicant's own making and the prior art of others." And it is equally clear that an invention unpatentable pursuant to 35 U.S.C. § 102(b),[4] because the application therefor was untimely filed, constitutes prior art as to a later invention by the same person and is entitled to consideration when the patentability of the later invention is at issue. *International Tooth Crown Co.* v. *Gaylord,* 140 U.S. 55 (1891); *Tool Research and Engineering Corp.* v. *Honcor Corp.,* 367 F.2d 449 (9th Cir.

[3] "A person shall be entitled to a patent unless—(a) the invention was known or used by others in this country, . . . before the invention thereof by the applicant for patent, . . ."

[4] "A person shall be entitled to a patent unless— . . . (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, . . ."

1966); *Cataphote Corporation* v. *DeSoto Chemical Coatings, Inc.*, 356 F.2d 24 (9th Cir. 1966); *Dix-Seal Corporation* v. *New Haven Trap Rock Company*, 236 F.Supp. 914 (D.Conn. 1964).

Plaintiff also argues that literal interpretation of § 102(a) would induce inventors to keep their developments secret until they were perfected. But the same can be said of the rule just referred to making an individual's earlier patents prior art as to his later ones. When an inventor chooses to exploit his creations commercially, all subsequent variations or improvements, by whomever made, must independently meet the tests of patentability. Whatever is in the public domain at the time of conception of the invention, whether another patent, a description of another invention, or publice use of a patent applied for but not issued, may be considered in determining whether the later invention should have been obvious.

Plaintiff's contention that literal interpretation of § 102(a) conflicts with the one year grace period of § 102(b) is also without merit. The rule articulated in § 102(b), that an invention is patentable only if application is filed within one year of the first public use of placing on sale of the product, was designed to promote early disclosure of inventions and to prevent prolonged exploitation of the device by the inventor, *Metallizing Eng'r. Co.* v. *Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir.) *cert. den.* 328 U.S. 840 (1946). But the protection of that provision applies only when the same invention claimed by the patent has been in public use less than one year before application, and not when two different patents and two different inventions are involved, as in the instant case. Furthermore, § 102(b) only applies when an invention is made and is then placed

in public use. Here the reverse is true, for the public use constituting prior art preceded the invention of the challenged patent. Thus it is apparent that neither the letter nor the spirit of § 102(b) is violated by requiring that an individual's second invention be a patentable advancement over the first.

Finally, ITW claims that a literal reading of § 102(a) would subvert the rationale of 35 U.S.C. § 121. That provision states that under certain circumstances patents growing out of applications with respect to which a requirement for restriction has been made may not be used as references against each other. Its relevance to the instant dispute does not appear, however, for it pertains merely to the prior art status of patents growing out of the same application, not to the prior art status of public use of goods preceding the conception of an invention. And § 121 applies in terms only to "two or more independent and distinct inventions," each of which must stand on its own feet. Therefore, the inventive content of the '360 must be tested as against prior art existing at the date of its conception in June, 1958.

Thus no reason appears for ignoring the plain meaning of the language in § 102(a). Moreover, to do so would give an inventor of two similar devices a preferential exemption from the prior art statutes as to the later invention, an exemption not available to anyone else. Indeed, plaintiff concedes that the public use of the continuous stacking cups would constitute prior art which could have been used by and cited against anyone else who had invented the '360 in May or June of 1958. Edwards can use this prior art as well, but his new invention must also be measured against what the world knew then about his first invention.

Furthermore, plaintiff's interpretation would permit the inventor of two devices to receive a patent for the later one even though it is an obvious, noninventive variation of the valid first invention. This result would be a clear abuse of the rationale behind the grant of power to "promote the Progress of Science and Useful Arts" contained in Article I, Section 8, Clause 8 of the Constitution. As stated by the Court in *Dix-Seal Corporation* v. *New Haven Trap Rock Company, supra,* at 920:

> "[T]he employment of a standard of patentability less stringent against the first inventor than against these others would seem to impair, if not defeat congressional policy. There should be no distinction between prior art of the inventor's own making and that of others . . . What has passed into public use may not thereafter be withdrawn by anyone, including the inventor, into a legally sanctioned monopoly. There must be a further development which would merit such a privilege."

In accordance with the foregoing, it is ordered that the cups sold to Automatic Canteen by plaintiff in December, 1957 and resold in April and May, 1958 constitute prior art to be considered at trial on the question of the validity of the '360 patent. It is further ordered that the defendant's motion for summary judgment is denied.

ENTER:

BERNARD M. DECKER
United States District Judge.

DATED: June 24, 1970.

District Court Opinion

[Caption Omitted]

MEMORANDUM OPINION

The cases relied upon by plaintiff in support of its motion to reconsider (*Traitel Marble Co.* v. *Hungerford Brass & Copper Co.*, 22 F.2d 259 (2d Cir. 1927); *In re Facius*, 408 F.2d 1396 (C.C.P.A. 1969)) do not deal with the question of prior public knowledge or use and are not dispositive of the instant case. To the extent that certain language therein is contrary to this court's earlier holding, this court believes, for the reasons stated in its Memorandum Opinion of June 24, 1970, that such language constitutes an erroneous view of the patent law. The motion is therefore denied.

However, because the legal issue involved is one of first impression and is of some importance to the patent bar, and because this court's ruling thereon may be dispositive of the question of validity of the '369 patent, I believe that certification pursuant to 28 U.S.C. § 1292(b) is warranted. The minute order of June 24, 1970, is therefore amended to include the following:

> "This order involves controlling questions of law as to which there is substantial ground for difference of opinion; an immediate appeal from this order may materially advance the ultimate disposition of the litigation and will be in the interest of justice."

ENTER:

BERNARD M. DECKER
United States District Judge.

DATED: September 21, 1970.

Court of Appeals Order

UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Chicago, Illinois 60604

Wednesday, October 14, 1970

Before

Hon. LUTHER M. SWYGERT, Chief Judge
Hon. WALTER J. CUMMINGS, Circuit Judge
Hon. WILBUR F. PELL, JR., Circuit Judge

ILLINOIS TOOL WORKS, INC., *Plaintiff-Petitioner,* MISCELLANEOUS RECORD No. 993 v. SOLO CUP COMPANY, INC., *Defendant-Respondent.*	United States District Court for the Northern District of Illinois, Eastern Division (District Court No. 69 Civ. 480)

This matter comes before the Court on the petition of plaintiff-petitioner, Illinois Tool Works, Inc. for permission to appeal from an order entered by the United States District Court for the Northern District of Illinois, Eastern Division, on June 24, 1970, in case No. 69 Civ. 480, pursuant to 28 U.S.C. § 1292(b), and the memorandum of defendant-respondent Solo Cup Company, Inc., opposing said petition.

It appearing to the Court that the said interlocutory order involves a controlling and important question of law in these proceedings and that the District Judge has stated in an order that he is of the opinion that the said order involves a controlling question of law as to which there is a substantial ground for difference of opinion, and that an immediate appeal from such order may materially advance the ultimate termination of the litigation;

Court of Appeals Order

IT IS HEREBY ORDERED by the Court that the said petition of plaintiff-petitioner be granted, and that leave to appeal from such interlocutory order of June 24, 1970, is hereby allowed.

IT IS FURTHER ORDERED that a certified copy of this order be transmitted forthwith by the Clerk of this Court to the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division.

IN THE

United States Court of Appeals

FOR THE SEVENTH CIRCUIT

No. 18960 SEPTEMBER TERM 1971—JANUARY SESSION 1972

ILLINOIS TOOL WORKS, INC.,
Plaintiff-Appellant,

v.

SOLO CUP COMPANY, INC.,
Defendant-Appellee.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.
No. 69-C-480
HON. BERNARD M. DECKER, *Judge.*

JANUARY 26, 1972

Before DUFFY and HASTINGS, *Senior Circuit Judges,* and SPRECHER, *Circuit Judge.*

DUFFY, *Senior Circuit Judge.* In this suit, plaintiff, Illinois Tool Works, Inc. (ITW), charges defendant, Solo Cup (Solo), with infringement of ITW's Edwards' Patents Nos. 3,139,213 ('213) and 3,091,360 ('360). Both patents at issue relate to the design and manufacture of nestable, expandable thin-wall plastic containers of unitary construction, whose usual use is in applications which require dependable automatic dispensing of such containers, singly and in an upright position.

The '213 patent discloses and claims a thin-walled plastic container including a side wall, a bottom, a rim and a continuous Z-shaped stacking facility located in the side wall below the rim.

The '360 patent discloses and claims a similar thin-walled plastic container but with an interrupted stacking facility located in the side wall below the rim.

These two patents have been before us on previous occasions. The District Court found the '213 patent to be valid and infringed in *Illinois Tool Works, Inc.* v. *Continental Can Company*, 273 F.Supp. 94 (N.D. Ill., 1967). We affirmed, 397 F.2d 517 (7 Cir., 1968).

The patents ('213 and '360) were before us in *Illinois Tool Works, Inc.* v. *Sweetheart Plastics, Inc.*, 436 F.2d 1180 (7 Cir., 1971). The District Court, in the *Sweetheart* decision, determined that each of the patents was valid and infringed. (306 F.Supp. 364). We affirmed (436 F.2d 1180).

In 436 F.2d, at page 1182, we pointed out that the '213 patent had been challenged in a previous infringement suit in which, after full consideration of both anticipation and obviousness defenses raised therein, the District Court held the patent valid, and we affirmed in 397 F.2d 517 (7 Cir., 1968). We stated: "We again hold that the '213 patent is valid, unanticipated and nonobvious." (436 F.2d 1180, 1182). We further held ". . . The Edwards '360 patent was not anticipated by any of the inventions cited by defendant here or in the District Court." (436 F.2d 1180).

With reference to the defense of obviousness, we stated: "Application of the foregoing method convinces us that the '360 patent is valid and nonobvious from the state of the prior art." (346 F.2d 1180, 1183).

We also said: "As is apparent from the descriptions of the asserted prior art which follow, none of these items sufficiently approximates the '360 invention to fit the narrow anticipation defense. Moreover, none of them, independently or in combination, renders the invention obvious." (436 F.2d 1180, 1183).

As to infringement, we said: "We agree with the district court that 'the accused . . . devices embody each of the elements specified in the patent.'" (436 F.2d 1180, 1187). We then affirmed the District Court in all respects.

In the instant case, on January 23, 1970, Solo filed a motion in the District Court seeking partial summary judgment as to Claims 1, 2 and 3 of the '360 patent, on the ground that these claims were invalid for obviousness. The District Court denied Solo's motion for summary judgment but decided that the '213 cups delivered to Automatic Canteen in April 1958 and resold for public use in April and May 1958 constituted prior art to be considered on the trial on the question of validity of the '360 patent.

The District Court adopted Solo's interpretation of 35 U.S.C. § 102(a) and held the sale to and the use of the '213 cups by Automatic Canteen rendered Edwards' own invention "known or used by others" within the meaning of Section 102(a), therefore available as prior art against the '360 cups.

The District Court then granted ITW's alternative motion to certify the "prior art" issue. ITW then petitioned this Court for leave to file this appeal and we granted that petition.

The important issue to be decided here is whether the District Court was in error in holding that one's own in-

vention once disclosed to the public is "prior art" against the same inventor's later related invention on which an application was filed less than one year from such public disclosure.

We must also consider whether public knowledge, sale and use by others of the '213 plastic cups is "prior art" against the '360 patent even though the '360 patent was filed within one year of such public knowledge, sale and use and the invention subject matter common to both the '213 and '360 inventions was developed by Edwards prior to the public knowledge and use of the '213 patent.

On November 29, 1957, ITW filed a patent application describing several species of thin-walled plastic nestable containers having a continuous Z-shaped stacking facility.

In December 1957, ITW submitted samples of plastic drinking cups to Automatic Canteen Company. In the same month, Automatic Canteen placed an order for one million of these cups. By April 1958, 50,000 of these cups had been delivered to Automatic Canteen and were, presumably, placed in vending machines used by the public in April and May 1958.

In June 1958, Edwards developed a thin-walled plastic cup having an interrupted side-wall Z-shaped stacking facility.

On October 29, 1958, ITW filed a continuation-in-part application comprising all of the subject matter of the original application plus drawings and claims directed to plastic containers having different forms of interrupted side-wall Z-shaped stacking facilities.

The original application was intentionally abandoned on November 10, 1958 after the filing of the continuation-

in-part application. Thereafter, in response to the Patent Office's requirement for restriction of May 1, 1959, ITW filed a divisional application claiming the container species embodying the continuous Z-shaped stacking facility. The divisional application eventually matured into the '213 patent in suit.

The continuation-in-part application retained claims embodying the interrupted Z-shaped stacking facility and eventually matured into the '360 patent.

The District Court placed primary reliance on a court decision not cited by either party. This was a decision by the Court of Customs and Patent Appeals (C.C.P.A.). *Application of Jaeger,* 241 F.2d 723 (C.C.P.A., 1957). We think that Court overlooked a fact which sharply distinguishes that case from the one at bar.

In the *Jaeger* case, the earlier prior art patent of one of the co-inventors had been issued more than two years prior to the filing of the application in question. Therefore, there was a statutory bar under 35 U.S.C. § 102(b). In that case, the subject application was not filed within one year of the publication or issue date of the earlier patent. The broad language used by the Court in *Jaeger* must be limited to a case where the prior art reference is a statutory bar under 35 U.S.C. § 102(b).

The District Court, in the case at bar, quoted from an unsubstantiated statement by the Court of Customs and Patent Appeals in *Jaeger, supra,* in arriving at its opinion in the case at bar:

> ". . . (t)he law makes no distinction between prior art of an applicant's own making and the prior art of others."

Upon closer examination, this statement appeared first in *Dix-Seal Corporation* v. *New Haven Trap Rock Company,* 236 F.Supp. 916 (D.C. Conn., 1964), where the *Jaeger* Court used this reasoning without including the determinative sentence preceding it. At page 920, the *Dix-Seal* Court said:

> "Once the year in which to prepare and file his application has passed, the employment of a standard of patentability less stringent against the first inventor than against . . . others would seem to impair, if not defeat Congressional policy. There should be no distinction between prior art of the inventor's own making and that of others."

Therefore, the reliance of the District Court on *Jaeger* as applicable to the case at bar seems misplaced.

In the appeal before our Court, ITW alleges the District Court erred in its ruling on the statutory interpretation of 35 U.S.C. § 102(a). The District Court reasoned in its memorandum opinion of June 24, 1970, that to give the statute the construction ITW desires would provide the inventor of two similar devices a "preferential exemption" from the prior art statutes as to the later invention. We believe the District Court erred in its interpretation of 35 U.S.C. § 102(a).

ITW has urged upon appeal that 35 U.S.C. § 102(a) pertains only to the originality or novelty of an application for a patent and the subject matter covered under said application; that a patent issue only to the first and original inventor of the subject matter. The District Court rejected ITW's argument that the language of 35 U.S.C. § 102(a) must be read to mean "invented by others" as well as "known or used by others", as not persuasive.

The Supreme Court in *Alexander Milburn Co.* v. *Davis-Bournonville Co.*, 270 U.S. 390 (1926) contemplated the Congressional intent of R.S. 4886 which preceded 35 U.S.C. § 102(a). In *Milburn, supra,* one Whitford's patent was invalidated on the premise that one Clifford's patent containing a full description of the Whitford claim earlier than any date of invention claimed by Whitford, was evidence that Whitford was not the first inventor. The statutory basis of that decision was that Whitford's invention was not patentable because "known by others in this country before his invention." The "others" in the *Milburn, supra,* case was Clifford, an inventor unrelated and unknown to Whitford.

The pertinent part in the *Milburn* case with respect to the case before us is the evidence his invention was known to others before he claimed to have made his invention. "What he had invented lacked *novelty,* to put it one way, or he was not the *first* inventor to put it another." *Application of Land,* 368 F.2d 866, 877 (C.C.P.A., 1966) (emphasis supplied).

In *Ex parte Lemïeux,* 1957 C.D. 47, 115 U.S.P.Q. 148, the Board of Patent Appeals cited the appeal of *Ex parte Powell and Davis,* 37 U.S.P.Q. 285 (Bd. App. 1938) where it was held in a well drafted opinion that an applicant's own British specification, published a few weeks before the filing of his patent application, was not prior art and concluded that subsequent legislation had not altered that rule, that the reference (the applicant's own published specification) asserted to show prior art must disclose the work of someone other than the applicant. (Notice there existed no statutory bar under Section 102(b),

because the published specification was within one year of the application).

The Court of Customs and Patent Appeals in *Application of Facius*, 408 F.2d 1396 (1969) discussed how a reference may be "overcome" if the reference is not a statutory bar under 35 U.S.C. § 102(b). The Court, in *Facius, supra*, discussed two cases where references for anticipation rejections under 35 U.S.C. § 102(e) were deemed to have been "overcome", *In re Blout*, 333 F.2d 928 (1964) and *In re Mathews*, 408 F.2d 1393 (1969). The Court, in *Facius, supra*, reasoning how a reference available as prior art can be and was overcome in the two related cases, said at pages 1405-1406:

> "Moreover, appellants further showed that they themselves had made the inventions[10] upon which the relevant disclosures in the patents had been based. This is a significant fact. If all the appellants had done was to bring the invention of another to the attention of the patentees, then that disclosure in the patent would have been the invention of another and still available as prior art. . . .

In the case before us, ITW urges that the '213 cups sold to Automatic Canteen should not be considered prior art against the '360 patent because the subject matter of that sale was Edwards' own invention. The '213 cups were not the invention of another available as a reference under 35 U.S.C. § 102(a). It has been established that Edwards did apply and did receive a patent for the '213 cups. Edwards was the first inventor of the subject matter, a fact not in dispute. Therefore, we feel Solo's contention

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[10] . . . Appellants having shown that they originated the inventions disclosed in the reference, lack of novelty and/or obviousness was immaterial to overcome the references."

that the sale of the '213 cups constituted prior art because the "invention was known or used by others in this country . . . , before the invention thereof by the applicant for patent" under 35 U.S.C. § 102(a), is without merit.

Pertinent is the Court's statement in *Facius, supra,* at page 1406:

> "But certainly *one's own invention,* whatever the form of disclosure to the public, may not be prior art against oneself, *absent a statutory bar.*"

Obviously, the statutory bar referred to above pertains to the one-year period during which Congress has allowed an inventor to perfect, develop and apply for a patent pursuant to 35 U.S.C. § 102(b).

We are of the opinion that Section 102(a) dictates that Edwards had to be the first and original inventor of the '360 invention and absent a reference patent or prior invention by another, the requirements of Section 102(a) have been satisfied. As indicated in *Application of Land, supra,* and in the opinion of the Court of Patent Appeals, *Ex parte Powell and Davis, supra,* we are convinced that ITW has overcome any possible reference under Section 102(a) by showing Edwards was the first and original inventor of the subject matter of the '360 patent. Congress indicated by its language in Section 102(a) that the subject matter must have been "invented by others" as well as "known or used by others."

Article I, Section 8, Clause 8, of the Constitution provides that Congress has been granted the power ". . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." Congress, in the Patent Act of 1952, has interpreted the

"limited Time(s)" to extend for a period of one year during which an inventor is permitted to prepare and submit an application for a patentable advance in technology and still be protected by the patent laws.

Section 102(b) concerns the action an inventor must follow once he has developed a novel and original invention (these qualifications are considered in Section 102(a) rendering it imperative that the inventor claiming under the Act be the *first* inventor of the claimed subject matter, as well as the subject matter being in itself a novel and original advance, *Application of Land*, 368 F.2d 866 (1966)). Section 102(b) imposes the time limitation of one year on the inventor which limitation is recognized by Congress as implied in the Constitution that an inventor act with deliberate speed in filing his patent application, or his rights to a legal monopoly will be statutorily barred. *Dix-Seal, supra.*

Undoubtedly, a majority of inventions are made in stages. Modifications and improvements of the original idea are common. If the ruling of the District Court is allowed to stand, it would be natural for an inventor to withhold any disclosure to the public until the innovative development is completed. We feel any such delays in disclosure of prospective inventions would seem contrary to the purpose of the patent laws to have new inventions promptly before the public.

The balancing process between the encouragement of technological advancement by the granting of legal monopolies and permitting a one-year grace period for application, and the interest of the public in having new advances readily accessible, has been considered by Congress in Section 102(b). The policy to expedite free public use and

public disclosure by inventors was the overriding consideration of Congress in passing Section 102(b), which expressly bars an inventor who does not file an application within one year after his invention has been in public use.

Once in public use, that invention becomes prior art and as to all later discoveries in that field, *anyone else* must show some "patentable" change to obtain the legal monopoly. Once the year in which to prepare and file this application has passed, the employment of a standard of patentability less stringent against the first inventor than against these others would seem to impair, if not defeat, congressional policy. *Dix-Seal, supra.* However, in the instant case, the one year period had clearly not passed.

This Court has long recognized a patentee's right to carry the date of his invention behind the date of an apparent reference or patent and thus eleminate that reference or patent from consideration. *Moline Plow Co.* v. *Rock Island Plow Co.*, 212 F. 727, 731 (7 Cir., 1914); *Pleatmaster, Inc.* v. *J. L. Golding Mfg. Co.*, 240 F.2d 894, 898 (7 Cir., 1957).

Of course, if the "reference" has an effective date more than one year before the application date of the claims under consideration, the statutory bar of 35 U.S.C. § 102 (b) prevents the applicant even though he be the original inventor, from obtaining the patent.

In the case before us, the evidence is uncontroverted with respect to the time of filing the applications and the public use of the '213 cup. On November 29, 1957, Edwards filed a patent application which eventually matured into the '213 patent. On April 1958, the knowledge and use of the continuous ring cups by the general public was realized through the sale of cups to Automatic Canteen. On October 29, 1958, eleven months after the initial

application, Edwards filed a continuation-in-part application comprising all the claims of the original application plus the additional description and claims which matured into the '360 patent.

We think the District Court was in error in concluding that the public knowledge and use and offer for sale and the sale of the '213 cups in December 1957 and April-May 1958 constitutes "prior art" against the '360 patent.

We hold that the District Court erroneously interpreted "knowledge of use by others" in 35 U.S.C. § 102(a) to mean the knowledge and use of Edwards' own invention.

We also hold that the District Court's reliance on *In re Jaeger* was misplaced as that case involves a statutory bar under 35 U.S.C. § 102(b) which does not exist in the instant case.

Furthermore, there is a well established line of decisions in the Court of Customs and Patent Appeals to the effect one's own invention, whatever the form of the disclosure to the public may be, cannot be a prior art against oneself, absent a statutory bar.

The order of the District Court here in issue is reversed and the cause is remanded to the District Court for further proceedings not inconsistent with our decision herein.

REVERSED and REMANDED.

A true Copy:

Teste:

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Clerk of the United States Court of Appeals for the Seventh Circuit.

IN THE

United States Court of Appeals

FOR THE SEVENTH CIRCUIT

APPEAL NO. 18960

ILLINOIS TOOL WORKS INC.,
Plaintiff-Appellant,

v.

SOLO CUP COMPANY, INC.,
Defendant-Appellee.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

Honorable Bernard M. Decker, District Judge.

DEFENDANT-APPELLEE'S PETITION FOR REHEARING *IN BANC* AND FOR ALTERNATIVE RELIEF

FOREWORD

In making the ruling certified as "first impression" for this interlocutory appeal, the district court rejected as abhorrent to the Constitutional standard of patentability the plaintiff's discriminatory interpretation of 35 U.S.C. § 102(a) which "would permit the inventor of two devices to receive a patent for the later one even though it is an obvious, non-inventive variation" of the first (Plaintiff-Appellant's Appendix, p. 159).

Invoking the very same Constitutional provision, this honorable Court reversed the district court's literal application of the statute, and declared that an unwritten exemp-

tion from 35 U.S.C. § 102(a), refused the plaintiff by the district court, was intended by Congress and made manifest by an adjacent (but disjunctive) paragraph, § 102(b).

The legal ruling certified by the district court is that the public knowledge and public use that resulted from the plaintiff's commercialization of a certain plastic drinking cup is "prior art", as defined by 35 U.S.C. § 102(a),* to be considered in applying the patentability test of "non-obviousness" under § 103 to a patent issued on a second form of drinking cup conceived by the same person *after* his first cup went into public use. This Court ruled it prior art to *"anyone else"* (slip opinion, Jan. 26, 1972, p. 9),** but not to him.

Patent 3,091,360, jeopardized by the ruling below, was issued by the Patent Office for the second cup in ignorance of the prior public use of the first cup. It also issued a patent, No. 3,139,213, for the first cup. Both are in suit.

Certified up as an important question of first impression and probably dispositive of the validity of the '360 patent (Judge Decker's Memorandum, Appendix p. 162), and viewed intently as a prospective escape hatch by an industry now nearly entirely beholden to the plaintiff as unwilling licensees, the question is believed to merit consideration

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* The statute reads:

§ 102. Conditions for patentability; novelty and loss of right to patent

"A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or"

Sections 102 and 103 are reproduced in their entirety as an appendix to this petition.

** Slip opinion precedes statutes in appendix to this petition.

by the entire Court, and even certification to the Supreme Court on this Court's own initiative.

The defendant-appellee, Solo Cup Company, next-to-last of a nationwide assemblage of defendants,* all before Judge Decker, respectfully petitions this honorable Court as a whole to reconsider and to withdraw its judgment order of January 26, 1972 herein, and either to affirm Judge Decker or to certify this important question up as he did.

I.

The History Of The Litigation Reveals That The Ruling Made Below And Reversed Here Is An Exceptionally Important Question of Law

The ruling here on appeal arose on Solo's motion for a partial summary judgment that the '360 patent (for the second cup) was invalid as an obvious variation of the first cup that earlier had gone into public use. Solo's motion for summary judgment was denied with opinion (Appendix, pp. 154-160) which recognized outstanding controverted

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* 65 C 2179 *I.T.W.* v. *Continental Can Co.*, 273 F.Supp. 94; aff'd. 397 F.2d 517 (7 Cir. 1968);

66 C 1609 *I.T.W.* v. *Maryland Cup Corporation & Sweetheart Plastics, Inc.;*

67 C 888 *Maryland Cup Corporation & Sweetheart Plastics, Inc.* v. *I.T.W.* (filed as a declaratory judgment action, 66 C 2559, in the Southern District of New York, and transferred to N.D. Ill. as the convenient forum, on ITW's motion); (both decided 306 F.Supp. 364; aff'd. 436 F.2d 1180, 7 Cir., 1971);

69 C 480 *I.T.W.* v. *Solo Cup Company;* (pending);

69 C 481 *I.T.W.* v. *Foster Grant Co.;* (pending);

69 C 482 *I.T.W.* v. *Scott Paper Co. Inc.;* (settled);

69 C 483 *I.T.W.* v. *American Can Co.;* (settled);

69 C 484 *I.T.W.* v. *Phillips Petroleum Co.;* (settled);

69 C 485 *I.T.W.* v. *Owens-Illinois, Inc., Lily Tulip Cup Corp. and Auto Pak Inc.;* (settled).

issues of fact for trial but which also made the legal ruling now on appeal.

The ruling of the district court was made by the same judge who in earlier litigation had already held valid the patent on the second cup. Later certifying his ruling, he said it might well be "dispositive of the validity of" that patent.

Moreover, this appeal is exceptional in at least two procedural respects: (1) The "order" appealed from was interlocutory, appealable only upon certification under 28 U.S.C. § 1292(b); and (2) the appeal was permitted to the prevailing party, and thus as an exception to the customary rule that appeals do not lie to a party who prevails for what he perceives to be a wrong reason [e.g., *Lindheimer* v. *Illinois Bell Telephone Co.*, 292 U.S. 151, 176 (1934); *Electrical Fittings Corp.* v. *Thomas & Betts Co.*, 307 U.S. 241, 242 (1939)].

Inasmuch as the latter point was raised by Solo unsuccessfully in opposition to the motion below for certification, and again in this Court in opposition to the petition for leave to appeal the certified question, it would seem that the importance of the question has been acknowledged impliedly by court action at both levels, as well as expressly by both courts (below: Appendix, p. 162; by this Court: slip opinion, p. 3).

II.

The Ruling Of January 26, 1972 Violates Established Principles Of Statutory Construction

It will be noted from the text of 35 U.S.C. § 102 that the opening phrase, "A person shall be entitled to a patent unless—", is followed by seven paragraphs each separated from the other by the word "or".

Syntactically, each is a separate bulwark against the grant of an invalid patent.

Paragraph (a) is clear and unambiguous. It does *not* say "invented by, as well as known or used by, others" as this Court read it (slip opinion, p. 8); it says merely "known or used by others", without any reference to the source from which the "others" derived their knowledge.

The words are clear and do not evidence the unspoken intent assigned them by this Court.

In *Dewey* v. *United States*, 178 U.S. 510 (1900) the court said, at page 521:

> "This court has nothing to do with questions of mere policy that may be supposed to underlie the action of Congress. What is termed the policy of the Government in reference to any particular subject of legislation, this court has said, 'is generally a very uncertain thing, upon which all sorts of opinions, each variant from the other, may be formed by different persons. It is a ground much too unstable upon which to rest the judgment of the court in the interpretation of statutes.' Hadden v. The Collector, 5 Wall. 107, 111. Our province is to declare what the law is, and not, under the guise of interpretation or under the influence of what may be surmised to be the policy of the Government, so to depart from sound rules of construction as in effect to adjudge that to be law which Congress has not enacted as such. Here, that language used by Congress is unambiguous. It is so clear that the mind at once recognizes the intent of Congress. Interpreted according to the natural import of the words used, the statute involves no absurdity or contradiction, and there is consequently no room for construction. Our duty is to give effect to the will of Congress, as thus plainly expressed. United States v. Fisher, 2 Cranch, 358, 399; Lake County v. Rollins, 130 U. S. 662, 670."

Applying this principle to the predecessor patent statute, R. S. 4886, the Supreme Court, in *Electric Battery Co.* v. *Shimadzu*, 307 U.S. 5, 14 (1939), refused to alter what is now § 102(a). Footnote 16 on page 14 of *Shimadzu* showed the insertions into R.S. 4886 that would have been required to right a conceded discrimination against domestic inventors, but the Court, although seemingly sympathetic to the petitioner, said:

> "We cannot thus rewrite the statute."

For the same reason, this Court should have foreborne *its* insertion of the words "'invented by others'" into § 102(a) (slip opinion, p. 8), the more especially because it *creates* the discrimination shown in the next section of this petition.

III.

The Effect Of This Court's Ruling Of January 26, 1972 Is To Create A Favored Class of Patents For Unpatentable Improvements

Of major significance in this Court's ruling is its express acknowledgement that the commercialization of ITW's first cup, by the sale and delivery of large quantities to Automatic Canteen Corporation, made it prior art to "*anyone else*" (italics in slip opinion, p. 9), i.e., anyone other than ITW's "inventor", who is exempted by the ruling.

The Court's ruling would therefore have these effects:

(a) The validity of a patent (at all events an "improvement" patent) would not require the presence of that quantum of novelty demanded by the requirement of "non-obviousness" in 35 U.S.C. § 103, the Supreme Court's rule in *Graham* v. *Deere*, 383 U.S. 1, 17 (1936), to the contrary notwithstanding;

(b) A patent invalid under § 103 if granted to A because his improvement was obvious would neverthe-

less be valid if granted to B, to whom § 103 does not apply; in other words, a patent may be valid or invalid, not according to whether it advances "the progress of useful arts", but according to who the inventor is.

IV.

None Of The Cited Cases Of The Court Of Customs And Patent Appeals Dealt With The Question On This Appeal

None of the Court of Customs and Patent Appeals cases cited in this Court's opinion deals with the question here on appeal, viz., the effect, as prior art, of one's own public use of an earlier "invention".

The reason they do not is that that court's concern with patent validity is confined to review of Patent Office rejection of applications, and the Patent Office has no way of knowing about an applicant's own public use of related subject matter before he conceived the "invention" tendered to the Patent Office by his application, unless, of course, the applicant should reveal it.

That did not happen in this case, and we respectfully dispute the affirmative answer given by ITW's counsel to the presiding judge's question, during oral argument, as to whether the issue on appeal had been before the Patent Office.

One of the C.C.P.A. cases cited, *Application of Facius,* 408 F.2d 1396 (CCPA, 1969) furnished the *dictum* that became the bellwether for this Court's ruling (slip opinion, p. 7):

> "But certainly, *one's own invention,* whatever the form of disclosure to the public, may not be prior art against oneself, *absent a statutory bar.*" (italics in original)

Because this Court seemed to rely much upon *Facius* (slip opinion, pp. 6, 7, and 8), it should be noted that the elaborate analysis of the case that appeared in ITW's reply brief (pp. 3-7) contains a basic factual error.

Contrary to the chart on p. 4 of the reply, the C.C.P.A. opinion does *not* say that the references patent (Engalitcheff) relied on by the Examiner was issued *prior* to Facius's development, as alleged. Quite the reverse, Facius's affidavit sought to show that Engalitcheff had derived his disclosure from Facius, i.e., in a single breath to discredit Engalitcheff and to antedate his filing date as well (p. 1407). The C.C.P.A. concluded that Facius's sworn allegations that he had worked on the design of the water boxes disclosed by Engalitcheff were insufficient to make him the "inventor" of them as against Engalitcheff, i.e., they did not "remove" the Engalitcheff patent as a reference under § 102(e). The *holding* of the C.C.P.A. in *Facius* (p. 1407) is merely that Facius failed to carry his burden of proving that Engalitcheff had derived from Facius, i.e., his burden of removing the Engalitcheff patent as a *prima facie* reference.

The *Facius case* does not purport to decide the effect, as prior art, of public knowledge and public use (or even of a patent or printed publication) stemming from one's own commercialization of an earlier development; it is therefore not a challenge to that court's observation in *In re Jaeger,** 241 F.2d 723 (C.C.P.A., 1957) that the law makes no distinction between prior art of one's own making and that of anyone else.

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* This Court's opinion (p. 5) appears to transpose *In re Jaeger,* 241 F.2d 723 (C.C.P.A. 1957) and *DixSeal Corp.* v. *New Haven Trap Rock Co.,* 236 F.Supp. 914 (D.C. Conn. 1964) from their true chronological sequence. Neither case referred to the other, and their parallel views favorable to Solo Cup Company here appear to be bona fide reinforcing judicial coincidence.

Because ITW's counsel misperceived the *dictum* of *Facius* as a decision "based on a prior patent issued before the invention date of Facius' improvement", the *decision* in that case likewise is *not* "directly and unequivocally applicable in all respects to Automatic Canteen's alleged public knowledge and use of Edward's" first cup, as they argued in reply (ITW's reply brief, p. 5).

This Court may therefore also wish to reconsider its reliance upon *Facius*.

V.

The Holding That 35 U.S.C. § 102(b) Allows A One-Year Period For The Filing Of Applications For Patent On Unborn Improvements Conflicts With Prior Law

35 U.S.C. 102(b) bars the issuance of a patent for any invention** in public use or on sale for more than one year prior to the application for patent.

Disqualifying public use or sale may be that of third parties or of the applicant. Stated conversely as to the applicant, § 102(b) gives him one year from his first sale or public disclosure to apply for a patent *on what he sold or disclosed.* By its terms, at least, it says nothing about giving that year "to an inventor to *perfect, develop* and apply for a patent" on his invention. (slip opinion, p. 7; italics ours). No authority was cited for the "perfect and develop" proposition other than a reference to the Constitution when the proposition was later repeated (p. 9).

The case law is to the contrary. "Public use" under § 102(b) assumes a completed invention, because a use that is bona fide experimental is not legally a "public use",

** Actually, all of the seven "bars" (a) to (g) of § 102 do more than merely "bar". They also define what is "prior art" for the test of 36 U.S.C. § 103, *Graham* v. *Deere,* 383 U.S. 1, 15 (1966).

even though carried out in public view, with the public participating in the test. *Elizabeth* v. *Pavement Co.*, 97 U.S. 126 (1877). Six years of public test were held not to be "public use" in that case.

It is apparent therefore that Congress (or the courts) have allowed inventors their time for experiment *before* the commencement of "public use", as that term is used in § 102(b), not after. The grace period of § 102(b) and its predecessor statutes has always been regarded as time to apply for a patent on a completed invention. No other interpretation would agree with the established rule that passage of the § 102(b) time period after the commencement of commercial use by or with the consent of the inventor is conclusive proof of *abandonment of the patent right.* See *Elizabeth* v. *Pavement Co., supra,* pp. 134-135; Robinson on Patents, Vol. 1, pp. 486-487.

Here, the "invention" of the first cup was declared complete by the filing of a patent application thereon in November, 1957 (it later became the '213 patent in suit) *before* the sale of the cup in December, and its delivery in quantity to Automatic Canteen in April and May, 1958. The applicant did not avail himself of the one-year grace given by § 102(b) because the filing of the application preceded the sale and use of the first cup. That, however, did not justify this Court's award of *another* year *after* the filing to apply for other patents on improvements still unborn, for that exempts them simultaneously from the effect of the prior public use *and* from the Constitutional standard of patentability now expressed as "non-obviousness" by the words of 35 U.S.C. § 103, *Graham* v. *Deere, supra,* p. 17. Improvement patents must also meet the test of the law.

The reservation of patents for future and not-necessarily-unobvious improvements must accordingly be error.

CONCLUSION

The ruling of this Court of January 26, 1972 was made upon an exceptionally important question of law, one seemingly of first impression.

The petitioner, defendant-appellee Solo Cup Company, respectfully asserts that error has occurred.

It prays the Court *in banc* to reconsider its opinion, to vacate its judgment of January 26, 1972, to order re-argument, and either to affirm Judge Decker's ruling below or to certify it to the Supreme Court.

February 9, 1972

Respectfully submitted,

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UNITED STATES COURT OF APPEALS

For the Seventh Circuit

Chicago, Illinois 60604

March 24, 1972.

Before

Hon. LUTHER M. SWYGERT, Chief Judge
Hon. JOHN S. HASTINGS, CIRCUIT JUDGE
Hon. ROBERT A. SPRECHER, CIRCUIT JUDGE

No. 18960

ILLINOIS TOOL WORKS, INC., *Plaintiff-Appellant,* v. SOLO CUP COMPANY, INC. *Defendant-Appellee.*	Appeal from the United States District Court for the Northern District of Illinois, Eastern Division (69 C 480)

On consideration of the petition for rehearing and suggestion that it be heard *en banc* filed in the above-entitled cause, no judge in active service having requested a vote thereon, nor any judge voted to grant the suggestion, and all members of the panel having voted to deny a rehearing,

IT IS ORDERED that the petition for a rehearing in the above-entitled cause be and the same is hereby denied.

THE CONSTITUTIONAL PROVISION

ART. 1, SEC. 8. The Congress shall have power . . . To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

THE STATUTES

35 U.S.C., § 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

35 U.S.C., § 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.